This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

+ *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.

+ *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.

+ *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.

+ *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at `http://books.google.com/`

E
183.8
C2
N71

A 401365

Nimmo

1. What is ... Canada?

2. Brit Imperial Confeder.

General Library

—OF—

UNIVERSITY OF MICHIGAN.

PRESENTED BY

Prof H C Adams

July 1897

E
183.8
.C2
N71

General Library

—OF—

UNIVERSITY OF MICHIGAN.

PRESENTED BY

Prof H C Adams

July 1897

E
183.8
.C2
N71

From Prof. H. C. Adams
July, 1897

OUR CANADIAN RELATIONSHIPS, No. I.

68152

WHAT IS THE DOMINION OF CANADA,

AND

WHAT ARE ITS RELATIONS TO GREAT BRITAIN AND TO THE UNITED STATES?

By JOS. NIMMO, Jr.

[*From the New York Tribune of Monday, May 14, 1888.*]

REVISED AND REPUBLISHED JULY 16, 1888.

WASHINGTON:
GIBSON BROS., PRINTERS AND BOOKBINDERS.
1888.

Editorial Notice from the New York Tribune of Monday, May 14, 1888.

OUR NORTHERN NEIGHBOR.

Mr. Nimmo's letter, published on another page, contains information that is greatly needed by Congress and the country. It treats of the relations of the Dominion of Canada to Great Britain and the United States, and of various violations of treaty law and covenanted reciprocity. Senator Frye late in January sent to the Committee on Foreign Relations resolutions of inquiry respecting these abuses, and this letter virtually supplies the information which was then called for. It also refers in detail to the grievances which Representatives Dingley, Nutting, and Baker have brought to light in the House. Mr. Nimmo is not only master of the subject, but also of his temper. The relations of the Dominion to the United States are discussed with as much dignity as intelligence, and his statements of fact are not vitiated by a single unfriendly expression or the faintest reference to the subject of annexation.

Some of the specific counts in the indictment against Canada may be briefly mentioned. By an order in council a rebate of eighteen cents per ton has been allowed on the tolls on grain passing through the Welland and St. Lawrence canals, if shipment be made to Montreal. This is a premium offered for the diversion of American commerce from American seaports and transportation lines. This is an open infraction of Article XXVII of the Treaty of Washington, and should be met by the immediate imposition of a tonnage tax on all Canadian vessels passing through the Sault Ste. Marie Canal. In like manner the international arrangements relating to the transit trade, which is of immense value to Canadian corporations, are violated in Manitoba, where the Dominion government refuses to allow grain to be shipped in bond over American railroads to Montreal. For five years Canada has failed to place on the free list various articles from which duty was entirely taken off in the United States when the tariff was revised; and this neglect is in direct violation of an act passed by the Dominion Parliament in 1879 providing for reciprocity in this respect whenever the same articles should be admitted from Canada without payment of duty. Other instances of bad faith are given in connection with a brief summary of the denial of commercial privileges to American fishermen in Canadian harbors.

The conclusion of the whole matter is this: Canada has been allowed to impose upon the forbearance and good nature of the United States. The restraints of international law and the engagements of reciprocal compacts do not interfere with sharp practice by which temporary advantages may be secured for the commerce of the Dominion. The ambitious designs of Canada have been pursued in a particularly aggressive spirit since the present administration has been in power in Washington. Its government and railway corporations have acted on the principle that any favor that might be wanted would readily be granted by the State and Treasury Departments, and that no indignities or outrages offered to fishermen would be resented, and

that no commercial privileges withheld in violation of positive engagements would be demanded under menace of retaliation. The time is rapidly approaching when retaliation must be the answer to every act of injustice and every infringement upon the principles of international comity. Canada, by persisting in taking advantage of American tolerance and magnanimity, must in the end exhaust the patience of the powerful nation which freely and generously shares with it all the advantages of its geographical position.

THE DOMINION OF CANADA.

ITS RELATIONS TO GREAT BRITAIN AND TO THE UNITED STATES.

Three important questions have arisen during the last eighteen months touching the relations existing between the United States and the Dominion of Canada, viz., the Fishery question, the subject of "Commercial Union," and the improper interference of the Canadian Pacific Railway Company with the course of the development of our internal and foreign commerce on the Pacific coast. The international aspects of the latter question arise from the fact that the railway mentioned was constructed for political rather than commercial purposes, mainly from funds supplied by the Dominion government or through its credit, and that it is now openly carrying out its political designs. The consideration of these three international questions, in connection with certain important collateral issues, has prompted the inquiry—What is the Dominion of Canada, and what are the relations which it sustains to Great Britain and to the United States? This inquiry is in terms expressed in a resolution of the Senate of the United States of January 30, 1888.

Besides, other circumstances and events have awakened curiosity and prompted inquiry, viz: (a) The progress of Canada towards absolute "home rule;" (b) the constant and earnest profession by the Canadian people and government of devotion to British institutions, and of fealty to the British Crown, while persistently pursuing the policy of throwing off every form of interference by the British government in Canadian affairs, even to the matter of treaty making; (c) the movement in favor of British Imperial Confederation, which evidently has the sympathy and active coöperation of the chief political rulers of the Dominion, and which expresses itself in military preparations, and in the establishment of steamer lines subsidized by the British government and operated in connection with the "political railroads" of Canada; and (d) the recent rebellion of the province of Manitoba against the national (?) authority, the *denouement* of which appears to be a complete surrender, at discretion, by the Dominion government,

involving a virtual payment of damages for having asserted its authority. These things, together with other manifestations of the condition of political affairs in Canada, embracing acts apparently hostile to, or in bad faith toward, the United States, constitute at once a combination of paradoxes and a menace to this country. They also emphasize the pertinency of the Congressional inquiry—What is the Dominion of Canada, and what are the relations which it sustains to Great Britain and to the United States?

History of the Case.

During the progress of the events which culminated in the independence of the United States, loyalty to the British Crown came in conflict with a stronger British trait, the love of liberty, and out of the contest a great nation sprung into existence, with new affections, purposes, and aspirations. In that struggle the people of Canada, New Brunswick, Nova Scotia, Prince Edward's Island, and Newfoundland did not join. Thousands on this side of the boundary line also maintained their allegiance to the British Crown, and, forsaking earthly possessions and attachments here, at great sacrifice, went and dwelt with their brethren beyond the border, with whom they were politically in sympathy. These events have only a historical significance in the United States, but they constitute traditional forces in the political life of the people of British North America, who are yet unable to entertain any clear conception of governmental sovereignty, which, at least in some remote or sentimental manner, is not symbolized by a crown. They also cling to the infatuation of titles of nobility with an ardor which is almost pathetic. And yet a peaceful but radical change has taken place in the condition of the political affairs of British North America. To some extent monarchical forms have been preserved, but, as Professor Goldwin Smith observes, in a way which shows "that monarchy is an exotic incapable of transportation to the soil of the New World."

The great Canadian Prime Minister, Sir John A. Macdonald, never loses an opportunity to express his devotion to British connection and to the monarchical form of government, but he also declares that he is "for home rule to the hilt." The whole course of the economic and political development of the provinces now comprising the Dominion of Canada has been toward independent nationality. The British government has in one or two instances aided the local authorities in suppressing political revolt, but it has never asserted its authority against any popular movement toward that independence which the American Colonies won by the sword. Although the people of the Dominion of Canada have never declared that politically they "hold the people of Great Britain as they hold the rest of mankind," practically they do so, and the

mother country stands ready to sever the nominal connection whenever the Canadian people shall indicate that they no longer desire to continue the relationship. At the present time it appears as though this relationship were destined to grow stronger under the "Imperial Confederation of British Nations," the plan of union which seems to meet favorable consideration in all parts of the British Empire. Among themselves the British people are Englishmen, Scotchmen, and Canadians and Australians, but toward all the rest of the world they are Britons, and the spirit of Greater Britainism now appears to be predominant. Whether the centrifugal tendencies of local interests or the centripetal tendencies of devotion to the integrity of the British Empire are the stronger is one of the most momentous political questions of the present day. The military advantages afforded by imperial unity appear to have great weight with the Canadians. They think also that the confederation of British nations would preserve the opportunities which for centuries have been open to the strategies of British commercial enterprise. The movement in favor of Imperial Confederation will be made the subject of a separate article.

The Dominion Government.

For many years prior to 1867 the union of the British North American colonies had been discussed, but during the civil war in this country—1861 to 1865— it was earnestly advocated for the purpose of establishing "a British nationality on this continent on monarchical principles." This is apparently the guiding thought to-day of Sir John A. Macdonald, the "Premier" of Canada.

The Dominion government, whose existence dates from July 1, 1867, is already a political autonomy, closely allied to Great Britain in the bonds of affection, but differing from her in organic characteristics and in the objects of national polity. Military occupation by the mother country ceased long ago, the Governor-General of Canada, sent out by the Queen, has been stripped of all real authority; the power to make her own commercial treaties is asserted and practically exercised by the Dominion government, and in the absolute control of her fiscal affairs Canada has adopted a tariff under which the products of Great Britain are taxed to the same extent that imports from other countries are taxed. But in spite of the apparent separation, there is a devotion to British connection which appears to illustrate the force of the sentiment, "Let me make a nation's songs, and I care not who makes her laws." The philosophy of the political situation in Canada, if there be any philosophy about it, is a riddle to the American mind.

Geographical Characteristics.

The Dominion of Canada consists of four blocks of inhabited territory with wide intervening irreclaimable spaces. These in-

habited areas are bounded on the north by a region of eternal frost, a vast American Siberia, and on the south by the United States. They have no natural commercial relations to each other, but, geographically, each is closely related to this country. Before the Dominion government was organized, the several provinces were socially, commercially, and politically strangers to each other, and the material connection is now maintained chiefly through the agency of two railroads, the Intercolonial and the Canadian Pacific, which subserve political rather than commercial ends. Lord Lansdowne, the present Governor-General of Canada, said, in 1885, "Confederation without the railway was not worth the paper on which the British North American Act was printed." The union of the provinces appears to have been dictated by political ends in defiance both of the laws of nature and of trade. Newfoundland never went into the confederation, and, as the years roll by, she apparently sees weightier reasons for keeping out of it.

In order to promote exchanges between the agricultural, fishing, mining, and manufacturing industries of the several sections of the Dominion, the most nationalistic of all governmental expedients has been adopted, viz., a tariff on imports protective of home industries. This has to a certain extent promoted internal exchanges, even as against that competition resulting from geographical conditions so much more favorable to commerce between the provinces and the United States.

It has been supposed that the adoption by Canada of a tariff policy so different from that which prevails in Great Britain would tend to the disruption of the British Empire, but such has not been the case, either in Canada or in Australia, where a similar tariff policy has been adopted. Ever since she was forced to acknowledge the independence of the United States, Great Britain has steadily preserved the policy of allowing her principal colonies to work out their own development according to the leadings of specific national wants and specific national experiences. The political party now in power in Canada has adopted, and is strenuously maintaining, the policy of protection, and is also loudest in its professions of loyalty to Great Britain. It is also assiduously engaged in the promotion of the scheme of British Imperial Confederation —a scheme which challenges the attention of the United States.

Infirmities of the Dominion Government.

In an article contributed to *The Contemporary Review* of July, 1887, Professor Goldwin Smith says: "In its internal structure the Dominion is a federation, and the relation of each province to the Dominion is that of an American State to the Federal Government." But the Canadian union is in its structural features greatly inferior to that union which constitutes us a nation. The constitution of Canada is merely the statutory enactment of

Great Britain, a country of which she is practically independent, and this so-called constitution has never been submitted to the Canadian people for ratification. Questions amendatory of the organic act are freely discussed in the House of Commons of the Dominion, and can be passed upon without any reference to the British Parliament, and without the formality of a ratifying popular vote. It also appears to be within the power of the several provinces to nullify the constitutional (?) powers of the Dominion. As an illustration, the original grant by the Dominion government to the Canadian Pacific Railway Company gave it the exclusive right to build branch lines within specified limits, but the "Commons" of little Manitoba found that commercial interests required branch lines to Minnesota, so they set about nullifying that enactment. Sir John A. Macdonald, the Canadian Premier, at first strenuously refused consent to this arrangement, but he was finally compelled to succumb, at the same time agreeing to pay to the Canadian Pacific the sum of $10,000,000 for the loss of its monopoly.

Another baneful feature of the Canadian government is the practice of continually appropriating money to different sections in the form of subsidies, know as "better terms." Such payments are in the nature of compensation to particular provinces for inconveniences or disadvantages which they are assumed to suffer as incidents of confederation. Professor Goldwin Smith declares this to be essentially a system of political bribery.

Political Characteristics.

Patterned after the British government, but without its traditional safeguards, the Dominion government is essentially a political party government. The party in power absolutely controls both the legislative and executive branches of the government. The leader of that party, who is elected Prime Minister by the Commons, is for the time being autocrat of the country. In many cases party interest prevents members from voting according to their convictions and the interests of their constituencies. Virtually, legislative power is lodged exclusively in the House of Commons, which alone is elective. This characterizes both the Dominion government and the provincial governments. As the Prime Minister is the leader of the Commons, the executive dominates the legislative in important particulars. According to our ideas, this is the very antithesis of responsible government. Sir John A. Macdonald is to-day the virtual autocrat of Canada. Prof. Goldwin Smith characterizes the Dominion government as a "federal republic with a false front of monarchy." To an American citizen it looks like a fierce democracy with a monarchical feather in its cap, and a somewhat idolatrous fondness for the feather.

The Canadians declare that their government is more pliable than that of the United States. This is undoubtedly true. An illustration of the pliability of the Canadian system may be instanced by imagining Secretary Bayard, as the political autocrat of the United States, going to the Speaker of the House of Representatives some morning, and, handing to him a bill amendatory of the Constitution of the United States, to be put through as a party measure, with an appropriation bill in favor of sections likely to object, and then stepping over to the Senate and informing the President thereof that when the bill came to that body it must be put through without debate. The Canadian Senate is not elective, and exercises no independent legislative power. The recent successful nullification of an act of the Dominion government by the Province of Manitoba furnishes an illustration of governmental pliability which does not excite the envy of the people of the United States.

The Working Features of the Dominion Government touching Commercial Intercourse with other Countries.

Under the Canadian form of government duties may be laid upon exports as well as upon imports. Under our Constitution the United States Government can lay duties only upon imports. In the struggles for commercial advantage, in which Canada always appears to be inclined to engage, she may use the right arm of import duties as well as the left arm of export duties, while the United States is confined to the use of the one arm. Besides, in matters where trade tactics seem to be involved, the Governor in council is invested with ample power to put duties on or take them off as circumstances may seem to require. Pursuing the analogy of personal encounter, this auxiliary power may be regarded as a sort of kicking arrangement. Such an equipment of fiscal powers, in connection with the concentration of governmental functions in the hands of a few men, of course allows the exercise of a degree of commercial tact and acumen in diplomacy, in legislation, and in the administration of executive duties which does not inhere in the Government of the United States. This fact, however, does not suggest the propriety of any amendment to the Constitution of the United States.

Attitude toward the United States.

The historic origin of the hostile attitude assumed by the Dominion of Canada toward the United States has already been noticed. Moved by such traditional prejudices the Canadians arrayed themselves against the United States during our war of 1812 with Great Britain, and during our late civil war they threw the entire moral force of their sympathies on the side of the dis-

solution of the Union, apparently with the idea that the disruption of this country would tend, relatively at least, to advance British influence and power on this continent. Such conduct has not, of course, tended to elicit a kindly feeling toward Canada in any section of our reunited country. The last-mentioned manifestation of Canadian hostility was the more wounding to the feelings of the people of this country from the fact that it occurred at a time when Canada was enjoying the full benefits of the "Transit Trade," a complete reciprocity of transportation by rail, and the advantages of free competition by the St. Lawrence river and canals in the commerce of our Northwestern States, and that a reciprocity treaty with respect to trade between the two countries was in force, although it had proved to be much more beneficial to Canada than to the United States. It appeared as though the Canadians had allowed traditional political animosities, which the people of this country had long since consigned to the mouldy past, to lead them so far as to overleap even the dictates of sound judgment and of self-interest. The immediate result of such action was that the reciprocity treaty of 1855 was abrogated in 1866. But recent violations of treaty stipulations and reciprocal arrangements have tended again to excite the resentment of our people, and to suggest the adoption of a general line of specific retaliation in order to protect the interests of American citizens, and to vindicate the honor and dignity of this country. The more important of these recent matters of complaint will here be mentioned:

Violation of the Transit Trade.

After the Canadian Pacific Railway was completed in 1886 the Dominion government refused to allow grain produced in Manitoba to be transported over American railroads "in bond" to Montreal. The movement of several million bushels of grain was thus restrained. This is a flagrant violation of the privilege of the "Transit Trade," under which reciprocal arrangement the railroads of Canada have profited ten times as much as railroads of the United States. The "Transit Trade" has also been of enormous advantage to the commercial and industrial interests of Canada. The refusal of the Dominion government to allow grain to be transported "in bond" over American railroads has not been openly announced, but it has been carried out surreptitiously. The Ottawa authorities declare that no instructions have been issued to the officials in Manitoba to prevent the traffic, and the customs officials in Manitoba declare that no instructions have been issued to them whereby they can issue the necessary certificates. Such conduct is discreditable to the Dominion government, and it ought to be met by a proper retaliation on the part of the Government of the United States.

REFUSING TO THE UNITED STATES RECIPROCITY IN THE MATTER OF THE EXTENSION OF LINES OF TRANSPORTATION.

Citizens of Canada and railroad corporations of Canada have been granted about all the privileges for which they have asked in the matter of extending Canadian railroads into and through the several States of this country. Such privileges have been granted by Maine, New Hampshire, and Vermont, and recently, under the general provisions of State laws, the Duluth, South Shore & Atlantic Railway, extending from the city of Duluth to Sault Ste. Marie, and the Minneapolis, Sault Ste. Marie & Atlantic Railway, extending from Minneapolis to Sault Ste. Marie, both located in the States of Minnesota, Wisconsin, and Michigan, have passed under the control of parties representing the interests of the Canadian Pacific Railway. It is also understood that a line of railway in the same interest is to be constructed from Duluth to the Canadian Pacific as a connecting link, the latter railway having a line already completed from Sault Ste. Marie to the Atlantic seaboard. These routes of transportation embrace in themselves the conditions of reciprocal commerce. They will evidently prove of great value to the commercial interests of Minnesota, Wisconsin, and Michigan, and in a higher degree subserve the commercial interests of Canada. But at the same time the concessions thus made to Canadian lines involve an indignity to the United States, and a positive injustice to the transportation and commercial interests of this country, in view of the fact that Canada refuses to reciprocate the privileges of the right of way so freely granted to her lines by the several States above mentioned. The situation of affairs is as follows: The people of Canada, in common with the people of the United States, are allowed to construct railroads in this country upon almost any location which they may choose, whereas railroad construction in the Dominion of Canada has from the beginning been determined mainly by political considerations, the chief of which is the consolidation of the different parts of that confederacy, in connection with the larger object of British Imperial Confederation, which latter scheme is re-enforced by military preparations and ocean steamer subsidies. The Dominion government, in the pursuit of such political designs, not only dictates the location of her main lines of railway, but has aided in their construction by enormous grants and subventions. Again, the object of such location of lines has been to prevent commerce from taking the north and south course to and from the United States, but to turn it in an east and west direction, so as not only to hold Canadian traffic on Canadian lines, but to turn traffic of the United States to such lines.

If the struggle for railroad traffic along our northern border were merely a contest between rival railroad companies there would be no doubt of the ability of railroad corporations of the United

States to dictate the course of trade; but our transportation interests are completely overpowered by the authority and patronage of the Canadian government. Until the Dominion of Canada shall consent to reciprocate the favors which she has so abundantly received in the location of connecting lines in the United States, by allowing citizens of this country perfect freedom in extending American lines to Winnipeg, Toronto, Ottawa, Montreal, and Quebec, the United States ought to respond to such an arrogant refusal of reciprocity by the imposition of duties upon eggs, fresh fish, and potatoes, or by other acts of retaliation within the scope of the powers inherent in the National Government.

The Treaty of Washington, concluded May 8, 1871, bore the first mark of this political scheme of encroachment upon the railroad system of the United States. The words "*to other places in the United States*," near the end of the second paragraph of Article XXIX, grant to Canadian railroads the right to convey goods from one point in the United States to another point in the United States without payment of duty, whereas there are no corresponding words in the first paragraph of the article referred to which grant a reciprocal privilege to the railroads of this country.

The United States cannot, consistently with the duty of maintaining her dignity, consent that an inferior power on this continent shall alone dictate the course of our commercial currents, for the purpose of promoting political ends inimical to this country, nor of promoting political ends in which we have no interest whatever.

The Violent Diversion of our Internal and Foreign Commerce on the Pacific Coast.

While the "transit trade" over connecting lines in the United States and in Canada east of the Sault Ste. Marie embrace reciprocal commercial advantages to the two contiguous countries, the portion of the Canadian Pacific Railroad west of Winnipeg offers no such reciprocal advantages. The enormous subvention granted to the Canadian Pacific, and the enormous annual subsidy granted to the steamer line extending from Port Moody to ports in China and Japan, constitute the instrumentalities of a violent diversion of our internal and foreign commerce. At the same time our Interstate Commerce Law operates as a protection to the aims and purposes of the Dominion government through its agent, the Canadian Pacific Railway. This whole matter is set forth at some length in the document entitled, "Our Canadian Relationships, No. 2."

Refusing to Reciprocate in Aiding Vessels in Distress.

On the 4th of February, 1888, the Hon. Newton W. Nutting, of New York, brought to the attention of the House of Representatives the fact that the Dominion government still refuses to

accept the offer made by the United States by act of June 19, 1878, to allow Canadian wrecking vessels and machinery to assist Canadian vessels wrecked in American waters, provided a like privilege is extended to American wrecking vessels and machinery in Canadian waters. This refusal to reciprocate in a cause which appeals to the humane impulses of mankind is in keeping with the refusal of the Canadian government to allow American fishing vessels the common privilege of seeking refuge in her ports in time of storm, and for replenishment and necessary repairs.

Violation of the Treaty of Washington.

A flagrant and most absurd violation of a treaty stipulation between the United States and Great Britain was brought to the attention of the House of Representatives on the 4th of January, 1888, in the form of a resolution submitted by the Hon. Nelson Dingley, Jr., of Maine, a gentleman always vigilant of the maritime and commercial interests of the United States. During the last three years, through the device of an "Order in Council," a rebate of 18 cents per ton has been allowed out of the total toll of 20 cents per ton on grain of all sorts passing through the Welland and St. Lawrence canals, if shipped to Montreal. The long and short of this is a premium of 18 cents a ton offered by the Canadian government in favor of the diversion of American commerce from American seaports and American transportation lines. An officer of the revenue department of Canada has innocently confessed that "the object of the Dominion government in promulgating this order is to encourage trade over the St. Lawrence route instead of allowing it to go to American ports." This, however, as explained by Mr. Dingley on the floor of the House of Representatives, is an open violation of Art. XXVII of the Treaty of Washington. It was hoped that the Canadian government would have acknowledged the expediency, if not the justice, of receding from this manifest breach of treaty obligation, but this has not been done. On the 20th of April the Governor General in Council ordered that the arrangement be continued during the season of navigation of 1888. The Government of the United States ought at once, in response to this indefensible discrimination against American commerce, to impose a tonnage tax of at least 10 cents per ton on the gross tonnage of all Canadian vessels passing through the canal at Sault Ste. Marie, the rapids in the strait which connects the navigation of Lake Superior with that of Lake Huron. This canal, with its lock 515 feet long and eighty feet wide, was constructed at a cost of about $4,000,000, and is now owned and operated by the Government of the United States. Both American and Canadian vessels are allowed to pass through Sault Ste. Marie canal free of tolls.

That the United States has full power to order such discrim-

inating tax upon Canadian vessels will be readily seen by examining Art. XXVII of the Treaty of Washington, concluded July 4, 1871. At that time the canal belonged to the State of Michigan, and it was not transferred to the United States until June 5, 1881.

Canadian Discriminations in Entry Fees.

On the 7th of June, 1888, the Hon. A. X. Parker, of New York, stated in the House of Representatives that the Canadian government permits "Canadian shipping to come into and leave their ports for a whole year with only a single charge of 50 cents, paid once, while the American bottoms that go into Canadian ports are taxed every time by charges of entry fees, exit fees, and other charges." Mr. Parker adds: "We have had some experience in Canadian reciprocity, and are not in haste to have it repeated."

Refusal to Observe Obligations of Plighted Faith.

On the 2d of April, 1888, the Hon. Charles S. Baker, of Rochester, brought to the attention of the House of Representatives perhaps the most flagrant of all the recent breaches of good faith toward the United States by the Dominion of Canada. The Canadian act of Parliament of May 15, 1879, provided that a large number of specified agricultural and other products might be admitted into Canada from the United States free of duty whenever the United States should admit similar articles from Canada free of duty. This offer was accepted by our act of March 3, 1883, with respect to many of the articles mentioned. But for five years Canada has failed to place such articles upon her free list. Complaint having been made through the Hon. Chas. S. Baker by parties injuriously affected, Secretary Bayard brought the matter in an unofficial way to the attention of the Canadian government early in March, but the Minister of Customs evaded the whole thing by asserting that the Canadian government was not obliged to observe the reciprocity contracted upon its own motion until every one of the articles enumerated by the Canadian act of 1879 was made free by the United States. But this was manifestly absurd, as the act referred to provides that "*any* and all of the following articles, &c., &c., may be imported into Canada free of duty." On the 28th of March Sir Peter Mitchell, of New Brunswick, called the Prime Minister sharply to account on the floor of the House of Commons for his transparent act of bad faith, to which the imperious leader sullenly replied that the act was permissive and not mandatory, its language being "may be imported," and that the Canadian government was more concerned in protecting the interest of Canada than those of the United States. The shallowness of this defence was readily exposed. But the resolution offered by Mr. Baker in the House of Representatives on the 2d of April brought the Canadian chieftain to terms. Two days

afterwards, viz., on the morning of the 4th of April, Sir Charles Tupper, Minister of Finance, announced on the floor of the House of Commons that at the instance of Lord Salisbury, Prime Minister of Great Britain, the articles made free by the act of Congress of March 3, 1883, had been placed upon the free list, and at the same time Sir Charles read a telegram which he had sent the previous day (April 3) to Sir Lionel West at Washington informing him that on receipt of a copy of his (Sir Lionel's) dispatch to Lord Salisbury the articles had been placed on the free list. There appears to have been some remarkably alert diplomacy between Washington, London, and Ottawa between the introduction of Mr. Baker's resolution in the House of Representatives on the 2d, and Sir Charles Tupper's announcement in the Canadian Parliament on the 4th. But within three weeks Sir Charles Tupper, on behalf of the Canadian government, submitted to the "Commons" a bill which so construed the words "any or all" in their act of 1879, that the Canadian government would in the future be able to select from any additions which may be made to our free list such goods only as it may choose to make free. This clearly indicates the shrewdness with which the Dominion government manages commercial intercourse with the United States.

To this scheming and vacillating course of procedure the United States ought to respond at once by adopting the resolution offered in the House of Representatives by the Hon. Charles S. Baker, especially the proposed duty of five cents per dozen on eggs and one cent per pound upon all fish. During the last fiscal year there were imported from the Dominion nearly eleven million dozen eggs and over thirteen million pounds of fresh fish free of duty.

Hostile Attitude in the Matter of the Fisheries.

The aggressive, inhuman, and most unjust attitude assumed by Canada towards American fishermen has been made the subject of a special statement. The case is a simple one. We maintained the common right of our fishermen to participate in the deep sea fisheries by the treaty of peace with England concluded in 1783. Since that time certain usages have been established and compacts entered into by means of reciprocal legislation, which constituted the more important features of the international relationships now existing between the United States and Great Britain, and yet at this day Canada, the real, and Great Britain, the ostensible, treaty-making power, attempts to claim peculiar rights over a large portion of the Atlantic Ocean under the pretext of "geographical advantage," and asserts this claim in the denial to our fishermen of ordinary commercial rights, and of shelter in her ports when seeking refuge from storms.

There is no sensible reason why fish and fishing vessels should be tabooed those commercial privileges which the prevalent con-

dition of maritime reciprocity secure to all other commodities and to vessels engaged in all other peaceful pursuits. The exclusive right of the Canadians to the use of their marginal waters is now fully conceded, and it matters little what delimination of waters, bays, creeks, and harbors be made, provided the right of American fishermen to pursue their vocation upon the high seas is not infringed upon. The privilege of occupying unsettled shores is no longer of any particular value, the question of bait even is resolved, and there appears to be no more need of a fish treaty than of a pork treaty with Great Britain. If the rights of transferring cargoes in Canadian ports, shipping cargoes in bond by rail, and other commercial rights are longer denied our fishing vessels, such denials should be met by an immediate refusal to allow Canadian fishing vessels to enter our ports or to allow the products of the Canadian fisheries to enter the United States in vessels or by rail.

Concluding Remarks.

Canada has always assumed a hostile attitude toward the United States in time of war, and in time of peace her commercial policy toward us appears to have been dictated by the French military maxim, *L'audace, encore l'audace, toujours l'audace.* In connection with Great Britain she has in matters of international intercourse with the United States persisted in stepping outside of the restraints of international law, and reciprocal arrangements entered into by treaty and by statutory compact, whenever her interests or her caprice seemed to render such course desirable. Touching these matters the United States has not exercised due diligence in defence of her own interests, and of the rights of her citizens. This has encouraged aggression. It would seem as though, in the eyes of the Canadians, the most striking characteristic of the United States is a "charity which endureth all things," and that they have deliberately resolved to ascertain experimentally just how far they can exploit upon our generosity and forbearance. In the very nature of things such procedure must ultimately have on abrupt termination. If the United States had taken small advantage and large advantage of geographical position and of all the other opportunities presented by intimate relationships of commerce and transportation as Canada has done, the chief sources of her prosperity would have been dried up long ago.

The question naturally arises, why has the Dominion of Canada been so unfriendly and so unfair toward the United States? Besides the political cause two others may be mentioned: First, Canada is a small and aggressive nation, enjoying the geographical advantages of contiguity to a great and magnanimous nation, which has not, and never has had, an affirmative foreign policy. Second, the breaches of good faith on the part of the Dominion are undoubtedly attributable largely to the infirmities of her govern-

mental system, under which partisan rule has placed constitutional authority in eclipse and opened wide the flood-gates of license to the behests of personal ambition.

The presumptuousness of a country of four and three-quarters of a million people, conditioned by serious impediments of climate and physical conformation, in its exploitation upon the commercial and political interests of a country of sixty-five millions, possessed of resources and diversified advantages superior to those which characterize any other country on the face of the globe, would be a farce if it were not the expression of injurious and compromising attacks. A country less just, or less magnanimous than the United States would speedily terminate such aggressions by the arm of power.

Sir Richard Cartwright, a member of the Canadian House of Commons, has recently shown that during the last 25 years one-fourth of the native population of Canada, and three-fourths of the immigrants into Canada, amounting in the aggregate to about 2,000,000, have sought homes in the United States. But the logic of these facts is apparently lost upon the people of Canada. The lust of political power and the chimerical idea of perpetuating monarchical institutions upon this continent appear to have begotten a sort of mania which they are unable to throw off.

In the interests of peace and good neighborhood, which, regardless of provocation, the United States must always cherish, we should not, and need not, adopt any general or reckless policy of retaliation, but simply respond to each specific act of injustice. That will in all probability be adequate to the cure of the evils complained of. It would seem that in so far as possible the President of the United States ought to be relieved of the responsibility of deciding as to the nature and limits of the retaliatory measures to be resorted to in each case. To this end, statutory provision, specific and mandatory in its nature, ought to be adopted.

There never before was a time when in the interests of peace, and in the cause of maintaining the honor and dignity of this country, there was greater need for watchfulness, and for the adoption of measures protective in their nature as against Canadian aggression upon the commercial interests of the United States; and this policy ought to be rigidly maintained until the last refusal to reciprocate privileges granted by the United States, or by any one of the States, has been withdrawn by the government of the Dominion of Canada.

JOSEPH NIMMO, JR.

HUNTINGTON, LONG ISLAND, N. Y.,
May 8, 1888.

From Prof. H. C. Adams
July, 1897

Our Canadian Relationships, No. 2.

6813-3

BRITISH IMPERIAL CONFEDERATION,

The Political Railroads of the Dominion of Canada, and The Military Preparations of The British Government on this Continent.

A BRITISH SCHEME, POLITICALLY OFFENSIVE, AND A MENACE TO THE NAVIGATION, TRANSPORTATION, AND COMMERCIAL INTERESTS OF THE UNITED STATES.

By JOSEPH NIMMO, Jr.

WASHINGTON:
Gibson Bros., Printers and Bookbinders.
1888.

BRITISH IMPERIALISM ALONG OUR NORTHERN BORDER.

The colonial and other possessions of Great Britain, acquired between the years 1605 and 1881, embrace about one-seventh of the land surface of the globe, and one-fourth of its population. This vast territorial expansion, and the military supremacy of the seas by which it was won, gave to the British people a character of aggressiveness in diplomacy and in trade which has strengthened by heredity. The idea seems to float in the British mind, that in some sort the world belongs to Great Britain, and that she must never remit the struggle to come by her own. The present movement in favor of British imperial confederation appears to be an expression of this palestric temper. The unity of the British Empire is a cherished object of all who hold allegiance to the British crown, and it appears to be the central thought of British political conceptions. It exists under long established governmental forms as a forceful political entity, but the "Great Epochal Movement" of British imperial confederation, as a certain writer styles it, looms up, as the form of imperial unity to which the logic of events is now pointing. The inherent strength of this movement may be read in the general drift of political forces throughout the empire. The idea of a confederation of British nations has developed with the progress of the North American and Australian colonies toward independent nationality, and it is now stirring the minds of British subjects throughout the globe. Differences which exist in the structure of the human mind naturally lead the British people to divide upon the great question as to the lines upon which the union of British nations shall be wrought out. In the terminology of British politics, those who favor a conservative or *laissez faire* policy are styled "Little England Men," and "Parochial Politicians," and their conduct of affairs is termed "Duffer Government," while those of the more aggressive school of imperialists are called "Greater Britain Men," and the line of policy which they advocate is styled "Jingo Government." Those of the latter school are the loudest and undoubtedly the most influential. The present "Salisbury Government" of England is of this order. About a year ago the London Chamber of Commerce offered prizes for essays upon the subject and articles were contributed by leading men in politics, and in letters in all parts of the British Empire. The first prize was awarded to a college professor in South Africa. In the month

of November, 1884, a league, now known as "Lord Roseberry's League," was founded in England under the presidency of the late Right Hon. Wm. E. Forster. The object of this association is to devise and advocate measures for "the permanent unity of the British Empire." Sir John A. Macdonald and Sir Charles Tupper, the two leading statesmen of Canada, are members of this league, and the prevailing sentiment in regard to imperial federation throughout the Dominion of Canada appears to be of the extreme "Jingo" order. A few years ago Sir John A. Macdonald said: "I hope to live to see the day—and if I do not that my son may be spared—to see Canada the right arm of England." About three months ago, in an interview with a correspondent of the *Pall Mall Gazette*, Sir John said: "I am a member of Lord Roseberry's League. * * * With England as a central power, with Canada, Australia, and South Africa as auxiliaries, we must control the seas, and the control of the seas means the control of the world." The two political railroads of Canada, the "Intercolonial" and the "Canadian Pacific," built almost entirely by the aid of government funds and credit, with subsidised steamer lines operated in connection with these railroads, are essentially agencies of the policy of British Imperialism. The movement in favor of imperial confederation has had to wait for the evolution of colonial nationality in order that the federative idea might have its complete and logical expression. In the case of Canada that was greatly advanced by the passage of the British North American act of 1867, whereby the Dominion government was formed. The subsequent course of political events in Canada has tended to promote the movement. Mr. Disraeli, who was Prime Minister of Great Britain at the time this act was passed, was its chief promoter, and, as the world knows, was England's great leader of the "Jingo" order of imperialists. Mr. Disraeli was also an earnest advocate of the political railroad system of the Dominion of Canada, as he was the originator and chief promoter of the railroad system of India, which cost the British government about $200,000,000.

The Civil War in this country seems to have given an impetus to British imperial schemes. In 1861 the Duke of Newcastle, then a member of the British Cabinet, declared that the Intercolonial Railway "satisfied military and other conditions in the interest of the Empire," and on the 3d of January, 1863, while the War of the Rebellion was raging in this country, he declared in the House of Lords that an interoceanic railway through British North America would subserve important ends, "in the event of war on the other side of the Atlantic."

In 1862 Sir E. Bulwer Lytton advocated the construction of the two political railroads of Canada "for imperial interests, commercial and military."

Sir Edward W. Watkin has for many years been a member of

the British Parliament. He was at one time President of the Grand Trunk Railway, and he has crossed the Atlantic ocean thirty times in thirty-five years on political and commercial errands connected with Canadian confederation and the construction of the political railroads of the Dominion. His effusive and sensational manner of writing betokens the fact that he lacks that self-poise which is an essential characteristic of statesmanship. But in a hearty and thoroughly undiplomatic manner he discloses the fact, in a recently published book, that he is "an Imperialist;" that he "hates Little Englandism;" that he has been laboring these many years "in the cause of permanent British rule over the larger part of the Great Northern Continent of America;" that, in his opinion, the Canadian Provinces ought to become "links in a chain of British Nations;" and that "a line of military posts of strength and magnitude, beginning at Halifax, on the Atlantic, and ending on the Pacific, will give power to the Dominion, and wherever the red coat appears confidence in the old, brave country will be restored;" and he proposes to bring all this about by "an Imperial Army, paid for by the whole Empire." Sir Edward W. Watkin is entitled to the respect of the American people for his frankness, and for having made suggestions worthy of their serious consideration.

It is a remarkable fact that the present scheme of imperial confederation is being wrought out on the very lines of thought upon which Edmund Burke declared in his great speech on conciliation that it was alone possible to hold the American Colonies in firm allegiance to the British crown.

In order to arrive at a proper understanding of the relations now sustained by the Dominion of Canada to the United States it is necessary to consider—

THE POLITICAL CHARACTER OF THE RAILROAD SYSTEM OF THE DOMINION AND ITS RELATIONS TO THE COMMERCIAL AND POLITICAL INTERESTS OF THE UNITED STATES.

If the development of the railroad system of Canada had been left to private enterprise it would undoubtedly have fallen into the hands of the great railroad projectors and constructors of the United States. In that case Canadian railroads would have assumed the character, mainly, of tributaries to the American east and west trunk lines. The geographical and commercial conditions pointed in that direction. But it was clearly foreseen that such a result would be prejudicial to the political aims of the Provinces, of the Dominion government, and of the British government. Accordingly a system of east and west trunk lines has been constructed in the Dominion, mainly from public funds and

credit. In no other way could such a development have been secured.

There has sprung up between the connecting railroads of Canada and the United States, under permissive provisions of law and of treaty, an almost untrammeled reciprocity of transportation facilities commonly known as "*The Transit Trade.*" The railroads of Canada are thus enabled to engage in the internal commerce of the United States, and also to engage in commerce with foreign countries by "transit" through American seaports, and over American railroads, such traffic being carried on in sealed cars, and "in bond" without payment of customs duties in the United States. The Dominion government has, however, by most unfair and disingenuous methods restrained American railroads from the full enjoyment of reciprocal advantages, notably in the refusal to allow fish, caught on the high seas, to be shipped by Americans across her territory, and in the refusal to allow grain to be transported from Manitoba to Montreal, in part over American railroads.

The Grand Trunk Railway, constructed largely by the aid of Canadian funds and credit, has been enabled to acquire the ownership of connecting railroads in the United States, and the Canadian Pacific Railway Company is now constructing a line across the State of Maine. On the other hand, the Canadian Southern Railway, extending from a point opposite Buffalo to the Detroit river, has become a part of an American trunk line, but it is not probable that any farther extension of American lines would be allowed in Canada, which would conflict in any manner with the developed political railroad policy of the Dominion government. The Grand Trunk Railway of Canada is by far the largest participant in the privileges of the "transit trade" over its own lines extending from Chicago to Portland, Me., and over connecting lines to Boston, New York, and hundreds of points in the New England States. This traffic of that line has proved to be mutually beneficial to the interests of transportation and of trade in the two countries, and under the able and discreet management of Mr. Joseph Hickson, it has been conducted with proper care for the interests of the Customs Service of the United States. Within a few months two lines, known as the "Soo Lines," have been completed, the one from Minneapolis and St. Paul, and the other from the rapidly growing commercial city of Duluth, to the Sault Ste. Marie, across which a railroad bridge has been constructed to the Canadian shore, from whence a line has already been completed with connections to the Atlantic seaports of the United States. This line also subserves important interests in Minnesota, Wisconsin, Michigan, and in the Eastern States. The Michigan Central, Canada Southern, and New York Central railroads also form an important transportation route of mutual advantage to the two coun-

tries. The "transit trade" over these particular lines is characterized by conditions of a true reciprocity, and at the same time such traffic is not obnoxious to the censure of promoting British imperial schemes. But such is not the case with respect to that part of the Canadian Pacific Railway which extends west of Winnipeg to the Pacific ocean. This line was constructed, and it has thus far been operated, with the distinct object in view of promoting political objects offensive to the United States. By means of enormous subsidies, the Dominion government and the British government are now aiding the Canadian Pacific Railway Company in diverting portions of the internal and the foreign commerce of the United States from American transportation lines and commercial cities, such diversion, as hereinafter shown, being without justification upon commercial principles and operating as an unjust discrimination against American interests.

THE POLITICAL RAILROADS OF CANADA.

The distinctively political railroads of Canada are the Intercolonial, connecting "the Maritime Provinces" with Ontario and Quebec, and the Canadian Pacific, connecting Ontario and Quebec with Manitoba and British Columbia. The construction of neither of these lines was warranted by any existing commercial demand, nor is the maintenance of the Intercolonial, or of the Canadian Pacific line west of the meridian of Sault Ste. Marie, now justified by existing commercial conditions. The Intercolonial Railway cost $46,431,000, the British government having aided in its construction by a loan of $15,000,000. During the year 1887 the receipts of the road did not meet its operating expenses by $231,000, and its receipts will be greatly reduced by the completion of the Canadian Pacific line across the State of Maine. Prof. Goldwin Smith predicts the abandonment of the Intercolonial, but the General Manager of the Canadian Government Railways denies this.

The Canadian Pacific Railway, like the Intercolonial, has been built almost exclusively by Dominion funds and credit. The direct financial aid extended to this enterprise amounts to from $120,000,000 to $140,000,000, a sum more than twice as great as the total subsidies granted by the United States Government to all our Pacific Railroads. The amount just mentioned included a direct gift of 713 miles of completed railway through an irreclaimable wilderness, north of Georgian Bay and Lake Superior, built at a cost to the Dominion government of $35,000,000. Upon its completion to the Pacific coast, in 1886, the Canadian Pacific Railway at once began a competitive warfare with the American transcontinental railroads for the internal traffic of the United States between our

Pacific coast ports and points east of the Mississippi and Missouri rivers. This attempt to participate in the internal commerce of the United States has in it none of those reciprocal features of transportation, or of trade, which characterize the "transit trade" over the Grand Trunk Railway, and over the "Soo Lines." It is simply an attempt by a government railroad of Canada to divert to its aid a portion of the commerce of this country, not through any fair commercial competition, or by offering any advantages of route, as to time or distance, but simply an attempt to compel such diversion through the force of a subsidy of about $130,000,000, and for the sole purpose of carrying out political objects inimical to the interests of the United States.

Perhaps the most audacious of all of the political schemes of the Dominion of Canada, and the British government is the attempt to divert our Asiatic commerce from American commercial centres and American transportation lines through the instrumentality of—

A SUBSIDIZED STEAMER LINE, BETWEEN THE WESTERN TERMINUS OF THE CANADIAN PACIFIC RAILWAY AND CHINA AND JAPAN.

A steamer line having in view mainly "imperial interests" was started early in the year 1887, between the western terminus of the Canadian Pacific Railway at Vancouver, and ports in China and Japan. The commerce of British Columbia, and of the entire Dominion of Canada with Asia would not sustain any such line if run upon commercial principles, in competition with existing unsubsidized transportation lines via the Suez Canal, or via San Francisco and over the transcontinental railroads of the United States. But the British government and the Canadian government have adopted this Canadian line as an agency of imperial purposes. At the request of the latter government the British Parliament now has before it a proposition recommended by the present Salisbury Administration—which is of the "Greater Britain" school—to pay this line an annual subsidy of £45,000, the Dominion government having already agreed to grant to it an additional £15,000, a total of nearly $300,000 a year. The main object which this line is intended to subserve is thus described by Sir George Stephen, President of the Canadian Pacific Railway, in his annual report submitted on the 11th of May, 1887: "Negotiations are in progress with the imperial government for the establishment of a first-class line of steamships between Vancouver and China and Japan, *and the imperial interests involved in this question are so important that there can be no doubt of a satisfactory result.*" This is the utterance of a practical business man, speak-

ing with "a mind illuminated by the sense of official responsibility."

It may here be stated that Great Britain has a double system of subsidies, viz., postal subsidies and admiralty subsidies. The total amount of the latter, and how they are expended, is a state secret.

There is no expedient for the promotion of British trade or for the consolidation of the British empire more highly approved by British statesmen than the establishment of subsidized steamer lines. England not only protects infant enterprises of this description, but she takes them to her bosom and feeds them. Such a scheme of protection is, of course, the very antithesis of anything which, according to the ordinary significance of terms, can be called "free trade." It is simply an autocratic method of turning trade out of the channels which a free competition would mark out for it. The relative magnitude of the commercial interests immediately involved are approximately indicated by the fact that the Pacific coast population of the United States is about 1,750,000 and that of British Columbia only about 70,000.

The merits of the postal features of the case are indicated by the fact that the United States paid during the year ended June 30, 1887, for carrying the mails in this service, a total sum of $14,820.80, as against $300,000 to be paid for the establishment of the new line at the north, which is but the extension of the Canadian Pacific route to Asia. As the United States mails across the Pacific are at least twenty times as large as those of the Canadian line, the aid extended to the latter is, upon the basis of postal service, at least four hundred times as great as that extended to the former. The immediate commercial object had in view is the diversion of the China and Japan trade of Chicago, St. Paul, Minneapolis, Duluth, Milwaukee, St. Louis, Cincinnati, Baltimore, Philadelphia, New York, and Boston from our own eastern trunk lines and transcontinental railroads, and from American ocean steamer lines and Pacific coast ports. Already the Canadian line has succeeded in diverting about 42 per cent. of our Pacific coast tea trade.

The case as it stands is that the Canadian government has thrown the full force of a subsidy of about $130,000,000, expended for the construction of the Canadian Pacific Railway, and of an annual subsidy of $300,000, to a British ocean steamer line, for the purpose of diverting an important branch of our foreign commerce from American to British transportation lines and trade centres, and that, too, with the especial object in view of promoting imperial objects on this continent. The audacity of the scheme would be astounding if it were not British.

One of the reasons assigned in the Declaration of Independence for the creation of a new nation, was that the king of Great Britain

had given his assent to legislation "*for cutting off our trade with all parts of the world.*" It will be discreditable to the Fiftieth Congress of the United States if it shall adjourn without adopting some measure for defeating a British scheme to accomplish, by artifice, what our revolutionary forefathers, 112 years ago, declared should not be done by force, and for the support of which declaration they "mutually pledged to each other their lives, their fortunes, and their sacred honor."

CANADIAN POLITICAL RAILROAD COMPETITION A BARRIER TO THE ADMINISTRATION OF PROPER INTERSTATE COMMERCE REGULATIONS.

The constitutional provision that "Congress shall have power to regulate commerce among the several states" was practically dormant until the passage of the Interstate Commerce Act of February 4, 1887. By that act we embarked upon a comprehensive scheme of internal policy full of great and difficult problems. The Interstate Commerce law also reacts in a vitally important manner upon the foreign commerce of this country. It must be apparent to any student of the subject that no scheme of legislation can be beneficially administered, nor can American citizens have that equal protection of our laws to which they are entitled, while a competing transportation line of a foreign country is, through enormous subsidies, violating a fundamental principle of our Interstate Commerce Act, and thus making our own laws the instruments of oppression to American interests; and that, too, for the advancement of interests hostile to this country.

It has been asserted that such competition is beneficial to through shippers in this country; but it is a fact that the "war of rates" which it induced led to discriminations as against local rates to shippers along all our transcontinental railroads far outweighing any such assumed advantages to through shippers, and postponed the time when it will be possible for these lines to conform to the "long and short haul rule." The American lines "met" the reduced or "war rates" of the Canadian Pacific, and thus prevented any considerable diversion of traffic, but the reductions in through rates, made in order to accomplish this object, caused discriminations as against local rates which "circumstances and conditions" of a geographical and commercial character would never have induced. It will not be possible to apply the requirements of a just system of internal regulations to our transcontinental railroad traffic so long as the Canadian Pacific Railway Company is left free to set such regulations at defiance.

It is impossible within the restricted limits of this article to do justice to this important branch of the general subject here under consideration.

THE MILITARY FEATURES OF IMPERIAL SCHEMES ON THIS CONTINENT.

The military adjuncts of the Canadian scheme for the promotion of imperial confederation have not been neglected.

In 1863 the Duke of Newcastle recommended that a naval station should be established in British Columbia. Such an establishment has since been constructed by the British government at Esquimault, on Vancouver Island, within sight of the United States. This imperial naval station has a dry dock, constructed at a cost of about $800,000, and it has recently been connected with the coal-mines at Nanaimo by a railroad built expressly for that purpose. The Canadian government has granted a subsidy of $750,000, and a liberal land grant in aid of the construction of this line. Already Esquimault has become an important place of rendezvous for the British fleet in the Pacific ocean.

No other nation than Great Britain so well understands the relation of subsidies to commerce or of guns to commerce.

Capt. Celomb, an English military officer, writing in 1879, says of Esquimault, "it would hold a pistol to the head of San Francisco."

In a speech delivered at Victoria, in October, 1885, Lord Lansdowne, the present Governor-General of Canada, spoke of Esquimault as "a naval station likely to become one of the greatest and most important strongholds of the empire."

A fierce advocate of imperial confederation "in the *Westminster Review* of February, 1888, speaks of Esquimault as a place of concourse for the fleets of that hemisphere, an eyrie of imperial outlook, and a stronghold for defence and communication." He also declares that "The days of vast organizations, great empires, and great wars have still to come." And he recommends "in the interests of peace and civilization," among other things "a neutralization of the 3,000 miles of frontier between the United States and Canada, rendering fortifications useless." Such views would seem to entitle this vigorous writer at once to honorary membership of the British Peace Society, and of Lord Roseberry's League for advancing Great Britain to the commercial and military supremacy of the world, of which League Sir John A. Macdonald is proud to be a member.

The *British Army and Navy Gazette* recently stated that when the guns now on the way to Esquimault shall have been mounted it will be one of the most heavily armored ports on the coast of North America. It is understood, also, that another strong naval station is to be established at Port Moody on the mainland. Viewed in connection with the naval preparations at Halifax, at St. John's, at Quebec, at Kingston on Lake Ontario, and at Hong Kong, China, along a line of British commercial and military operations, the patriotic American is forced to regret that when the